



UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

MARK E. FELGER (MF9985)
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Attorneys for the Debtors

In re:

SHAPES/ARCH HOLDINGS L.L.C., et al.,

Debtors.

Case No. 08-14631(GMB)

Judge: Gloria M. Burns

Chapter: 11

STIPULATED ORDER

The relief set forth on the following pages, numbered two (2) through three (3), is hereby
ORDERED.

DATED: 7/9/2008



Honorable Gloria M. Burns
United States Bankruptcy Court Judge

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The undersigned counsel for the above-referenced Debtors and Arrowood Indemnity Company f/k/a Royal Indemnity Company ("Arrowood") hereby stipulate and agree as follows:

1. For the period from May, 2001 through May, 2004, the Debtors were insured by Arrowood under workers compensation, automobile and general liability insurance policies issued by Arrowood (the "Policies").

2. As of the Petition Date, Arrowood held collateral totaling \$515,000 to secure the Debtors' deductible obligations under the Policies.

3. Arrowood filed a proof of claim in these cases asserting a claim against the Debtors in the amount of \$393,970 ("Arrowood's Claim"). The Debtors dispute the amount of Arrowood's claim.

4. On May 23, 2008, the Debtors filed the Third Amended Joint Plan of Reorganization (the "Plan") which classified Arrowood's claim as a Class 7 claim.

5. Arrowood filed a timely ballot rejecting the Debtors' Plan.

6. On June 20, 2008, the Debtors filed the Debtors' Motion to Determine Allowed Claims of Class 7 Claimants Under Section 502(c) of the Bankruptcy Code and Related Relief (the "Motion").

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7. Since the filing of the Motion, the Debtors and Arrowood have entered into discussions regarding the Motion and Arrowood's Claim, and have agreed to adjoin the hearing on the Motion to September 22, 2008 (or such further date as agreed to by the parties) and that the Plan will be modified to provide that the determination of Arrowood's Claim in Class 7 and the extent to which Arrowood must release or return collateral to the Debtors will be determined as soon as reasonably practicable after the Effective Date rather than prior to the Effective Date.

8. Based upon the on-going discussions and the Debtors' agreement to adjourn the hearing on the Motion and to modify its Plan, Arrowood has agreed to withdraw (and hereby withdraws) its ballot rejecting the Plan, subject to the "So Ordering" of this Stipulated Order by the Bankruptcy Court.

CARRUTHERS & ROTH

By: /s/ John M. Flynn
John M. Flynn

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Company, f/k/a, Royal Indemnity
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